

Message Text

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51
ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00

NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20 STR-08

TAR-02 TRSE-00 PRS-01 SPC-03 FEA-02 OMB-01 SAM-01

INRE-00 SSO-00 NSCE-00 USIE-00 DRC-01 /158 W

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O 201500Z FEB 74
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC IMMEDIATE 2781

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E.O. 11652 N/A
TAGS: EIND, ETRD, VE
SUBJ: US FERROUS SCRAP AND VENEZUELAN IRON PELLET EXPORTS

REF: STATE 29676

1. CURRENT RESTRICTIONS REGARDING EXPORTS OF PRE-REDUCED IRON
PELLETS AND BRIQUETTES ARE CONTAINED IN JOINT MINISTRY DEVELOPMENT/
MINES RESOLUTION DATED JANUARY 18, 1974 WHICH APPEARED IN OFFICIAL
GAZETTE OF JANUARY 21. UNOFFICIAL AND PARTIAL TRANSLATION OF RE-
SOLUTION FOLLOWS: QUOTE. ARTICLE ONE - COMMERCIAL IRON ORES,
USED BY STEEL PLANTS LOCATED IN THE COUNTRY, OR BY PLANTS WHICH
APPRECIABLY INCREASE THE IRON CONTENT OR PHYSICAL PROPERTIES OF
THE ORES BY SPECIAL PROCEDURES ARE DECLARED ARTICLES OF PRIME
NECESSITY. ARTICLE TWO - PERSONS WHO PROCUCE IRON ORE ARE
OBLIGED TO SUPPLY THE PLANTS LISTED IN ABOVE ARTICLE WITH THE
QUANTITIES WHICH THEY REQUIRE FOR THE PURPOSE OUTLINED IN SAID
ARTICLE AND AT FOLLOWING MAXIMUM PRICES BY UNIT OF IRON PER METRIC
TON. UNQUOTE.

2. HOWEVER, EVEN PRIOR TO ABOVE RESOLUTION, ORINOCO MINING
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COMPANY RECEIVED A LETTER DATED OCTOBER 16, 1973 FROM THE MINISTER

OF MINES WHICH CONTAINS FOLLOWING INFORMATION AS TRANSLATED:
QUOTE. I WISH TO INFORM YOU THAT DUE TO RESTRICTIONS IMPOSED ON
THE EXPORTATION OF SCRAPMETAL ON THE PART OF SEVERAL NATIONS
WHICH TRADITIONALLY HAVE SUPPLIED THIS RAW MATERIAL TO VENEZUELA,
THERE IS NOW A DEFICIT OF METALS NEEDED BY THE NATIONAL INDUSTRY.

IN VIEW OF THIS SITUATION, THE NATIONAL GOVERNMENT CONSIDERS THAT
THE PRODUCTION OF BRIQUETTES SHOULD BE DESTINED, PRIMARILY, TO SATISFY

THE INTERNAL NEEDS OF THE COUNTRY. AS A CONSEQUENCE, I WISH TO
SUGGEST THAT THE MINIMUM PRODUCTION ESTIMATED TO BE 100,000 TONS
BETWEEN OCTOBER 5, 1973 AND DECEMBER 31, 1973 SHOULD BE DIS-
TRIBUTED IN THE FOLLOWING FORM: 30,000 TONS TO SIVENSA, 70,000 TONS
AS A MINIMUM FOR SIDOR. QUANTITIES WHICH SHOULD BE SUPPLIED TO
THESE COMPANIES WILL BE SET FOR THE FOLLOWING YEAR. UNQUOTE.

3. ON OCTOBER 27 AT INAUGURATION OF US STEEL BRIQUETTING PLANT,
MINISTER OF DEVELOPMENT REMARKED THAT IT WOULD BE ABSURD TO
THINK THAT ANY BRIQUETTES WOULD BE PERMITTED TO LEAVE THE COUNTRY
WHILE A NEED FOR THIS PRODUCT EXISTED IN THE NATION.

4. IN PRACTICE ORINOCO MINING COMPANY HAS NOT TO DATE REQUESTED
AUTHORIZATION TO EXPORT ITS PRODUCTION OF BRIQUETTES (EXCEPT FOR
ONE SMALL SHIPMENT FOR EXPERIMENTATION PURPOSES) KNOWING THAT
ANY SUCH REQUEST WOULD DOUBTLESS BE DENIED.

5. EMBASSY BELIEVES THAT RESTRICTIONS PLACED ON EXPORTS OF IRON
PELLETS AND BRIQUETTES BY GOVERNMENT OF VENEZUELA ARE NOT RPT NOT
A COUNTERMOVE TO US GOVERNMENT EXPORT CONTROLS ON FERROUS SCRAP,
BUT ARE DOMESTIC MEASURES TAKEN TO ASSURE THAT DOMESTIC NEEDS
ARE MET BEFORE EXPORTS ARE PERMITTED. VENEZUELAN GOVERNMENT
HAS ADDED ADVANTAGE OF HAVING BRIQUETTES SOLD LOCALLY AT LOW
PRICE SPECIFIED IN JANUARY 18 RESOLUTION WHICH IS ROUGHLY
\$29 PER TON.

MCCLINTOCK

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IRON, SUPPLIES, FERROALLOYS, EXPORT CONTROLS, INDUSTRIAL EXPORTS, METAL PRODUCTS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 20 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CARACA01554
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: CARACAS
Handling Restrictions: n/a
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ISecure: 1
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Previous Handling Restrictions: n/a
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Review Date: 23 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 SEP 2002 by boyleja>; APPROVED <26-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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Review Release Event: n/a
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Review Withdrawn Fields: n/a
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TAGS: EIND, ETRD, VE, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005